FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Ann Leary

<u>Information Request DTE 1-35</u>

- Q. Refer to Exhibit KED/AEL-1, Page 10.
 - (a) Explain how each of Boston Gas, Colonial, and Essex currently recovers bad debt expense.
 - (b) Demonstrate that, under the Company's proposal, the bad debt expense for Boston Gas, Colonial, and Essex will be recovered from only the customers of each company.
- A. (a) Currently Boston and Colonial recover the gas-cost portion of bad-debt expense through the CGA and the base-rate portion through base rate tariffs. Essex recovers all of its bad-debt expense through its base rate tariffs. Essex does not recover any bad-debt expense through its CGA. Please see the response to Information Request AG 1-9, AG 1-10, and AG 1-11.
 - (b) Please see Exhibit KED/AEL-7, at page 1 (Peak) and page 1 (Off-Peak), demonstrating that the Company is proposing to maintain separate bad-debt factors for each of the individual companies. Also, please see Exhibit KED/AEL-4 (CGA tariff) pages 11 through 14 and pages 20 through 23.